## **REMARKS**

Claims 1-23 and 81 are pending. Claims 24 to 80 were previously withdrawn from consideration. Claims 2-6 are cancelled. Claims 1 and 81 are amended.

## § 103 Rejections

## Summary of Rejections

Claims 1-4, 7-11, 17, 20-23, and 81 stand rejected under 35 USC § 103(a) as being unpatentable over U.S. Patent No. 6,325,515 to Coderre ("Coderre"). Also, claims 12-16 and 18-19 stand rejected under 35 USC § 103(a) as being unpatentable over Coderre. The Examiner admits that "Coderre fails to expressly teach that the cap-Y value of the pigmented layer is less than the cap-Y value of the retroreflective layer," but asserts that "[i]t would have been obvious to one having ordinary skill in the art to provide the pigmented layer of Coderre to have a lower cap-Y value than the retroreflective layer because of the presence of the pigments (which is conventionally understood to include non-white color), such as black (which has a Cap-Y value of 0), to enhance luminance of the indicia" (page 3 of July 18, 2006 Office action).

Claims 5 and 6 stand rejected under 35 USC § 103(a) as being unpatentable over U.S. Patent No. 4,983,436 to Bailey ("Bailey"). The Examiner admits that "Bailey fails to teach that the cap-Y value of the pigmented layer is less than the cap-Y value of the retroreflective layer," but asserts that "[i]t would have been obvious to one having ordinary skill in the art to utilize the teaching of Coderre that discrete pigmented color layer would exhibit a Cap-y value that is less than the Cap-Y value of the retroreflective layer in the invention of Bailey to provide a lower cap-Y value with the motivation to enhance the visibility of the indicia." (page 3).

## Failure to Present a Prima Facie Case of Obviousness

In order to present a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference must teach or suggest all the claim limitations. The teaching or

suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. Applicant asserts that the Examiner has not made a prima facie case of obviousness because (1) neither Coderre not Bailey describe or suggest all of the claim elements of independent claim 1 and (2) there is no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.

As the Examiner admits, Coderre describes increasing cap-Y (see, for example, col. 2, lines 3-6 and col. 3, lines 18-19). As is stated at col. 1, lines 57-62, if the cap-Y "could be increased, without substantially reducing retroreflectance, such sheeting could find broader application in graphics applications." Thus, Coderre provides motivation to increase cap-Y. The Examiner states that "[i]t would have been obvious to one having ordinary skill in the art to provide the pigmented layer of Coderre to have a lower cap-Y value than the retroreflective layer because of the presence of the pigments, such as black (which has a Cap-Y value of 0), to enhance luminance of the indicia" (page 3 of July 18, 2006 Office action). As Coderre states, the goal of enhancing luminance is achieved by increasing (not decreasing) cap-Y. Thus, applicant asserts that the Examiner has not shown any motivation in Coderre to decrease cap-Y. Further, all of the examples in Coderre describe indicia colored white (see, for example, col. 3, line 18) because the use of white-colored indicia increases cap-Y. For these reasons, applicant asserts that the Examiner has not presented a prima facie case of obviousness.

Applicant also notes that independent claim 1 has been amended to include the claim elements of originally filed dependent claim 4. The Examiner states that "the retroreflective layer [of Coderre] is cube cornered with a plurality of cube cornered surface structure, including at least two intersecting sets of parallel grooves" (page 3). However, applicants assert that Coderre does not describe a sheeting in which "the pigmented indicia are not substantially aligned with the grooves," as is recited in independent claim 1. Instead, Coderre states that the indicia are aligned with at least one set of grooves (see, for example, col. 3, lines 19-26).

Claims 7-23 and 81 each add additional features to claim 1. Claim 1 is patentable for the reasons given above. Thus, claims 7-23 and 81 are patentable. In summary, the rejection of claims 1-23 and 81 under 35 USC § 103(a) as being unpatentable over Coderre and/or Bailey has

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been overcome and should be withdrawn. In view of the above, it is submitted that the application is in condition for allowance. Reconsideration of the application is requested.

Respectfully submitted,

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